

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

## MEMORANDUM

TO: Norfolk County Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 12, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

As we previously noted in our approval dated November 7, 2013, this valuation uses an 8.25% investment return assumption. There are currently only 8 systems using an assumption above 8.0%. Prior to 2013, the “standard” PERAC investment return assumption for local systems (assuming a reasonable asset allocation) had been 8.0% for over 15 years. Based on the current environment, asset allocation, and future expected returns, we decreased this assumption to 7.75% beginning with our 2013 local system valuations. The Board should carefully consider reducing the investment return assumption as part of the next actuarial valuation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



H:\Norfolk\Norfolk14\_Val 8 25% 15k COLA v2.xlsx\Aprop. Results

## Appropriation Forecast

Fiscal Year	Employee	Employer	Amortization	Employer	Employer	Funded
Ending	Payroll*	Contribution	Normal Cost with Interest	Payments with Interest	Total Cost with Interest	Ratio %**
2015	\$246,722,941	\$21,275,861	\$14,337,308	\$34,942,692	\$49,280,000	55.8
2016	\$257,825,473	\$22,434,875	\$14,768,458	\$39,439,542	\$54,208,000	57.4
2017	\$269,427,620	\$23,655,116	\$15,209,379	\$44,418,621	\$59,628,000	59.5
2018	\$281,551,863	\$24,939,749	\$15,660,077	\$49,931,523	\$65,591,600	61.6
2019	\$294,221,696	\$26,292,096	\$16,120,538	\$56,030,310	\$72,150,848	63.8
2020	\$307,461,673	\$27,715,652	\$16,590,729	\$60,786,186	\$77,376,915	66.0
2021	\$321,297,448	\$29,214,087	\$17,070,594	\$63,225,805	\$80,296,399	68.3
2022	\$335,755,833	\$30,791,257	\$17,560,050	\$65,763,376	\$83,323,426	70.6
2023	\$350,864,846	\$32,451,213	\$18,058,989	\$68,402,834	\$86,461,823	73.1
2024	\$366,653,764	\$34,198,213	\$18,567,273	\$71,148,272	\$89,715,545	75.7
2025	\$383,153,183	\$36,036,729	\$19,084,734	\$74,003,948	\$93,088,682	78.3
2026	\$400,395,076	\$37,971,461	\$19,611,167	\$76,974,288	\$96,585,455	81.1
2027	\$418,412,855	\$40,007,344	\$20,146,333	\$80,063,901	\$100,210,234	84.0
2028	\$437,241,433	\$42,149,564	\$20,689,951	\$83,277,577	\$103,967,528	87.0
2029	\$456,917,298	\$44,403,569	\$21,241,698	\$84,191,665	\$105,433,363	90.1
2030	\$477,478,576	\$46,775,082	\$21,801,206	\$87,559,332	\$109,360,538	93.3
2031	\$498,965,112	\$49,270,113	\$22,368,054	\$91,061,705	\$113,429,759	96.6
2032	\$521,418,542	\$51,894,978	\$22,941,772	\$0	\$22,941,772	100.0
2033	\$544,882,376	\$54,656,309	\$23,521,829	\$0	\$23,521,829	100.0
2034	\$569,402,083	\$57,561,072	\$24,107,634	\$0	\$24,107,634	100.0
2035	\$595,025,177	\$60,616,585	\$24,698,530	\$0	\$24,698,530	100.0
2036	\$621,801,310	\$63,830,533	\$25,293,788	\$0	\$25,293,788	100.0
2037	\$649,782,369	\$67,210,988	\$25,892,605	\$0	\$25,892,605	100.0
2038	\$679,022,576	\$70,766,426	\$26,494,096	\$0	\$26,494,096	100.0
2039	\$709,578,591	\$74,505,752	\$27,097,288	\$0	\$27,097,288	100.0
2040	\$741,509,628	\$77,858,511	\$28,316,666	\$0	\$28,316,666	100.0
2041	\$774,877,561	\$81,362,144	\$29,590,916	\$0	\$29,590,916	100.0
2042	\$809,747,052	\$85,023,440	\$30,922,507	\$0	\$30,922,507	100.0
2043	\$846,185,669	\$88,849,495	\$32,314,020	\$0	\$32,314,020	100.0
2044	\$884,264,024	\$92,847,723	\$33,768,151	\$0	\$33,768,151	100.0
2045	\$924,055,905	\$97,025,870	\$35,287,718	\$0	\$35,287,718	100.0
2046	\$965,638,421	\$101,392,034	\$36,875,665	\$0	\$36,875,665	100.0

\* Calendar basis

\*\* Beginning of Fiscal Year